

## **BUSINESS OPPORTUNITY**

Guided Backpacking for Youths

GRAND TETON NATIONAL PARK

National Park Service  
Intermountain Region

Solicitation No. CC-GRTEXXX-15

Covering Contracts:  
CC-GRTE034-15  
CC-GRTE038-15

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## INTRODUCTION

The National Park Service ("Service") intends to award two concession contracts in Grand Teton National Park (Area) for guided backpacking for youths. This Prospectus describes in general terms the existing business operations and the future business opportunities for the services required by the Service. Offerors are responsible for reviewing all sections of this Prospectus and, specifically, the terms and conditions of the Draft Concession Contract CC-GRTEXXX-15 ("Draft Contract"), including its exhibits, to determine the full scope of a future concessioner's responsibilities under the Draft Contract.

The Service is conducting this solicitation in accordance with the National Park Service Concessions Management Improvement Act of 1998 (Public Law 105-391), as implemented by the Service in Title 36 of the Code of Federal Regulations (C.F.R.) Part 51. The term "Concessioner" as used in this Prospectus refers to the entity that will be the Concessioner under the Draft Contract. The Term "existing Concessioner" refers to the entity that currently provides services under the existing concession contract ("existing Contract"). The existing Contracts and a copy of 36 C.F.R. Part 51 are included as Appendices to this Prospectus.

In the event of any inconsistency between the terms of this Prospectus and 36 C.F.R. Part 51, Part 51 of Title 36 will prevail. In the event of any inconsistency between the description of the terms contained in this Prospectus and the Draft Contract itself, the terms of the Draft Contract will prevail.

## THE NATIONAL PARK SERVICE AND ITS MISSION

In 1916, President Woodrow Wilson approved legislation creating the Service within the Department of the Interior. That legislation stated that Congress created America's National Park Service to:

*...conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations. (16 U.S.C. § 1)*

Additionally, Congress declared that the National Park System should be:

*...preserved and managed for the benefit and inspiration of all the people of the United States.. (16 U.S.C. §1a-1)*

The Service has as its overall mission the preservation and public enjoyment of significant aspects of the nation's natural and cultural heritage. To learn more about the National Park Service, visit [www.nps.gov](http://www.nps.gov). This site includes information about the Service's mission, policies, and information on individual park units.

## GRAND TETON NATIONAL PARK AND ITS MISSION

Grand Teton National Park was established in 1929. Jackson Hole National Monument was created in 1943. The two units were combined to become the present Grand Teton National Park by the Act of September 14, 1950. The present Park encompasses approximately 310,000 acres and protects the Teton Range, Jackson Hole, a 50-mile portion of the Snake River, seven morainal lakes, over 100 backcountry and alpine lakes, and a wide range of wildlife and plant species. The Park is a natural and cultural marvel with twelve rugged peaks rising over 12,000 feet in elevation, 900 species of wildflowers, 300 species of birds, 17 species of carnivores, six species of hoofed mammals, and a human history dating back to the Paleo-Indians. The purpose of Grand Teton National Park as described in the Park's Master Plan (1976) is to protect the scenic and geological values of the Teton Range and Jackson Hole, and to perpetuate the Park's indigenous plant and animal life. The Park will interpret these natural and scenic values, in association with the historical significance of the region, in a manner that preserves these resources for the benefit and pleasure of present and future generations. Additional information on Grand Teton National Park can be found at [www.nps.gov/grte](http://www.nps.gov/grte).



## MARKET AREA OVERVIEW

### WYOMING TOURISM MARKET

Overnight leisure visitors to Wyoming reached nine million in 2013, up approximately 5.0% from the previous year, resulting in \$3.2 billion in visitor spending on goods and services. As in previous years, the most popular destinations were Yellowstone National Park (50% of visitors), Grand Teton National Park (39% of visitors), and the Jackson Hole area (40% of visitors). A majority of visitors surveyed (82%) reported staying in hotels or motels, 13% stayed in RV parks or campgrounds, 3% stayed at a dude ranch, and the remaining visitors stayed with friends, family, or in rental homes or condos. Visiting a state or national park remained the key driver motivating visitors to choose Wyoming, with 45% of those surveyed citing going to a state or national park as the primary reason for vacationing in Wyoming. Visitors participated in a wide range of activities, including visiting a state or national park (62%), taking a scenic drive (58%), visiting an historical site (41%), wildlife watching (31%), hiking or backpacking (39%), fishing (11%), and horseback riding (9%). Of the reported trips to Wyoming, 55% occurred during the summer, 20% during the fall, 16% during the spring, and only 9% visited during the winter. Travel and tourism continue to be a solid industry in Wyoming, accounting for 3.9% of Wyoming's Gross Domestic Product, up 30% from the previous year. (Source: [www.wyomingofficeoftourism.com](http://www.wyomingofficeoftourism.com), 2013 Year in Review and the 2013 Overnight Visitor Profile Research).

### LOCAL MARKET AREA: JACKSON HOLE, WYOMING

Teton County, often used interchangeably with the phrase "Jackson Hole," encompasses 4,008 square miles in northwestern Wyoming, and is nestled at the foot of the Teton and Gros Ventre Mountain ranges. The majority of the land in the County, 97%, is federally owned and controlled, leaving only 3% under private control (Source: [www.tetonwyo.org/bcc/topics/about-teton-county/250746](http://www.tetonwyo.org/bcc/topics/about-teton-county/250746)). The finite amount of developable land in Teton County has resulted in a limited housing supply. Housing in the area is relatively expensive and seasonal wages tend to be higher than would normally be expected for comparable employment in other areas.

The Jackson Hole area is one of the most high profile outdoor recreation destinations in the country. Its location and surrounding recreational amenities make the area a popular year-round tourist destination. The Bridger-Teton National Forest and Caribou-Targhee National Forest ("the Forests") surround the Jackson Hole area, providing numerous ski opportunities during the winter months, while the Forests, the Snake River and Grand Teton National Park attract visitors during the peak summer visitation period. To serve a diverse visitor base, a wide range of outdoor activities is available in the area, including backpacking, hiking, camping, fishing, rafting, mountain climbing, and horseback riding.

Even during the summer months, overnight temperatures can drop below freezing, and snow and frost are possible during any month. The first heavy snows typically fall by early November and continue through April.

## GRAND TETON NATIONAL PARK

Located in northwest Wyoming, Grand Teton National Park is bordered by the Teton Mountain Range to the west, Bridger-Teton National Forest to the east, and John D. Rockefeller, Jr. Memorial Parkway and Yellowstone National Park to the north. Park headquarters is located in Moose, 13 miles north of Jackson, Wyoming, with entrance stations at Moose and Moran Junction, and near Teton Village on the Moose-Wilson Road. **Exhibit 1** provides a map that illustrates the proximity of the Park to the surrounding National Park Service units, forests, and the town of Jackson (referred to collectively as "the Jackson Hole area").

The Park is open year-round; however, most commercial services operate between May and October. Grand Teton National Park and John D. Rockefeller, Jr. Memorial Parkway facilities and services include 803 concessioner-operated lodging rooms; 1,206 concessioner-operated campsites; nine restaurants; 15 retail outlets; a variety of outfitter and guide operations including float trips, fishing, mountaineering, cross-country ski touring services, horseback riding, guided youth backpacking and day hiking (represented in the Draft Contract); and a medical clinic.



## Exhibit 1 – Geographic Area



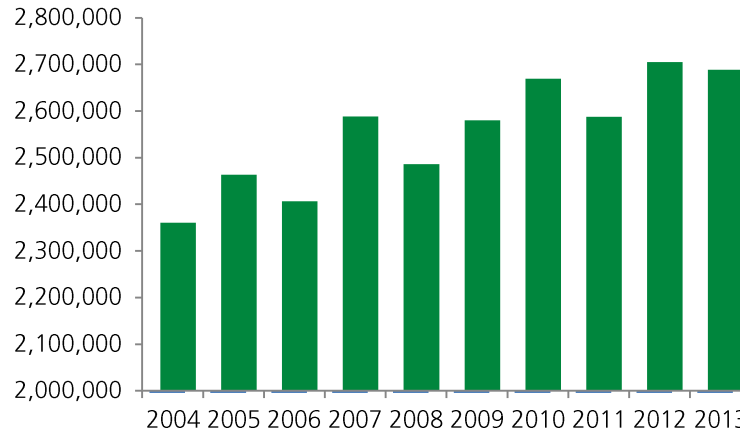
Source: National Park Service



## PARK VISITATION

**Exhibit 2** depicts recreation visitation to Grand Teton National Park from 2004 through 2013. Average visitation to the Park over the last ten years is approximately 2.5 million visitors with the lowest visitation of 2,360,373 reported in 2004 and the highest visitation of 2,705,256 reported in 2012. Visitation in 2013 was 2,688,794, down 16,462 from the previous year, and the second highest visitation reported in the past ten years. The Park was closed from October 1 – October 16, 2013 due to the government shutdown caused by a lapse in appropriations. In October 2013 the Park received 68,984 visitors as opposed to 165,549 visitors received in October 2012.

**Exhibit 2 - Grand Teton National Park Visitation: 2004 through 2013**

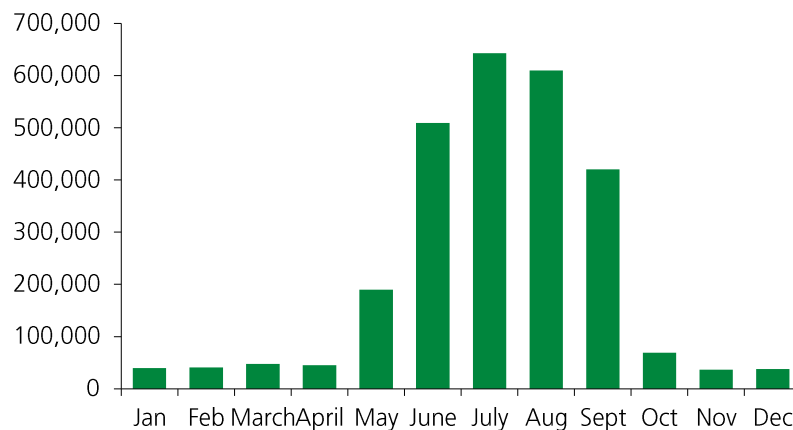


Source: National Park Service

Visitation to the Park is highly seasonal. Peak season runs from approximately June through September, low or winter season from November through April, and May and October are considered the shoulder seasons.

**Exhibit 3** presents Park visitation by month for 2013. Please note that October 2013 had 96,565 fewer visitors than October 2012 (see Exhibit 2 above).

**Exhibit 3 - 2013 Park Visitation**



Source: National Park Service

Additional visitation and visitor use statistics are available at <http://www.irma.nps.gov/Stats/>





## EXISTING CONCESSION OPERATIONS

Guided backpacking for youths is currently being provided by Wilderness Ventures (CC-GRTE034-05) and Teton Valley Ranch Camp Education Foundation, Inc. (CC-GRTE038-05). These Concession Contracts were effective beginning January 1, 2005, and will expire on December 31, 2014. The existing Contracts provide guided backpacking for youths, including associated transportation and food services. A summary of the current Required and Authorized Services is detailed in **Exhibit 4** below.

### Exhibit 4 - Existing Required and Authorized Concession Services

Contract	Existing Concessioner	Required Services	Operating Season
CC-GRTE034-05	Wilderness Ventures	GUIDED BACKPACKING FOR YOUTHS, including associated transportation and food services, on designated trails and at designated backcountry campsites in Grand Teton National Park	None
CC-GRTE038-05	Teton Valley Ranch Camp Education Foundation, Inc.	GUIDED BACKPACKING FOR YOUTHS, including associated transportation and food services, on designated trails and at designated backcountry campsites in Grand Teton National Park	None
Contract	Existing Concessioner	Authorized Services	Operating Season
CC-GRTE034-05	Wilderness Ventures	GUIDED DAY HIKES AND FRONTCOUNTRY CAMPING FOR YOUTHS on designated trails and at designated campsites in Grand Teton National Park	None
CC-GRTE038-05	Teton Valley Ranch Camp Education Foundation, Inc.	GUIDED DAY HIKES FOR YOUTHS on designated trails in Grand Teton National Park	None

Source: National Park Service

## APPROVED RATES FOR REQUIRED SERVICES

The methodologies used by the Service to determine the reasonableness and appropriateness of rates and charges are set out in the National Park Service Concession Management Rate Approval Guide (July 2010), a copy of which is included as an Appendix to this Prospectus. Rates for the existing Concession Contracts are based on Comparability for activities conducted solely within the Park, and based on Competitive Market Declaration for those trips that are part of a larger program in which a significant portion of the trip occurs outside the Park.

## FUTURE OPERATIONS

The required and authorized services for the Draft Contracts are listed in **Exhibit 5**. There are no material differences in the Required Services from the existing Contracts. Adjustments to the Authorized Services include: the maximum number of day hike participants allowed per season will be 180, excluding guides. If day hikes are provided, the hikes must be part of a week or longer, multi-activity educational program. Also note that an operating season has been defined for required and authorized activities. Front country camping for youths at designated campsites in Grand Teton National Park has been removed from CC-GRTE034-15. The methodologies used by the Service to determine the reasonableness and appropriateness of rates and charges will not change from the existing Contracts.



### Exhibit 5 – Draft Contract Required and Authorized Services

Contract	Required Services	Operating Season
CC-GRTE034-15 CC-GRTE038-15	GUIDED BACKPACKING FOR YOUTHS, including associated transportation and food services, on designated trails and at designated backcountry campsites in Grand Teton National Park	June – September (note: snow travel is not allowed, so season will be shortened if conditions dictate)
Contract	Authorized Services	Operating Season
CC-GRTE034-15 CC-GRTE038-15	GUIDED DAY HIKES FOR YOUTHS, including associated transportation and food services on designated trails in Grand Teton National Park as part of a week or longer, multi-activity educational program.	June – September (note: snow travel is not allowed, so season will be shortened if conditions dictate)

## FINANCIAL AND OPERATING DATA

The Proposal Package requires Offerors to develop financial projections based on the services required under the Draft Contract. In order to assist Offerors in the development of these projections, information regarding historical gross revenue and visitor use are presented below. Offerors should be appropriately cautious in the use of historical information. The National Park Service will not provide financial predictions; therefore, Offerors are responsible for producing their own pro forma financial statements and relying upon their own financial predictions. Offerors should read the entire prospectus carefully, including the Draft Contract and all its exhibits, as some requirements from the existing Contracts may have changed; specifically, note the minimum insurance requirement levels outlined in Exhibit D, Insurance Requirements.

### HISTORICAL GROSS REVENUE

Historical annual gross revenue for the past three seasons is listed in **Exhibit 6**.

#### Exhibit 6 - Annual Gross Revenue for Activities Conducted in Grand Teton, 2011-2013

Contract	Existing Concessioner	2011	2012	2013
CC-GRTE034-05	Wilderness Ventures	\$30,718	\$25,753	\$47,264
CC-GRTE038-05	Teton Valley Ranch Camp Education Foundation, Inc.	\$24,710	\$42,553	\$21,094

Source: National Park Service

### HISTORICAL USE

**Exhibit 7** below presents historical use by required and authorized service for the existing Concessioners for the past three years. Additional visitor use statistics for other Park Concessioners and activities are available at <http://www.irma.nps.gov/stats/>.

#### Exhibit 7 – Historical Use

Existing Concessioner	2011		2012		2013	
	Backcountry Overnight stays	Day Hikes	Backcountry Overnight stays	Day Hikes	Backcountry Overnight stays	Day Hikes
CC-GRTE034-05	24	130	32	143	34	208
CC-GRTE038-05	94	46	84	106	65	48

Note: Some totals may include guides

Source: National Park Service





## INVESTMENT ANALYSIS

### LEASEHOLD SURRENDER INTEREST

Leasehold Surrender Interest is a compensable interest in real property and real property improvements. The existing Concessioners have no Leasehold Surrender Interest in Concession Facilities. No land or facilities are assigned and there will be no Leasehold Surrender Interest in the Draft Contracts.

### PERSONAL PROPERTY AND INVENTORY USED IN EXISTING CONCESSION OPERATIONS

The existing Contracts do not require the existing Concessioners to sell personal property, merchandise (inventory), and supplies used in the operation to the future Concessioner; however, a new operator will be required to provide such equipment, personal property, and inventory necessary for the proper and efficient operation of Draft Contract requirements.

### SUMMARY OF ESTIMATED REQUIRED INITIAL INVESTMENT

The Concessioners will incur start-up costs prior to commencing operations and will need to provide working capital and personal property, supplies, and inventory as discussed above. Offerors must make their own determination of the investment required to support the Required Services.

### PREFERRED OFFEROR DETERMINATION

The Service has determined that the two existing Concessioners are Preferred Offerors for the Draft Contracts pursuant to the terms of 36 C.F.R. Part 51. The existing Concessioners must submit a responsive proposal to this Prospectus to be considered for award of the Contract. If an existing Concessioner submits a responsive proposal and that proposal is not selected as the best proposal, the Preferred Offeror designation allows it to match the terms of the best offer and be awarded the contract.

### FRANCHISE FEES

The minimum franchise fee will be equal to three percent (3.0%) of the Concessioner's annual gross receipts or a flat fee of \$1,000, whichever is higher, for the term of the Draft Contract. Offerors may propose a higher minimum franchise fee, as described more fully in the Proposal Package (included in Tab 3 of this Prospectus).

### TERM AND EFFECTIVE DATE OF DRAFT CONTRACT

The term of the Draft Contract will be ten (10) years with an estimated beginning date of January 1, 2015. The effective date of the Draft Contract is subject to change prior to award if determined necessary by the Service. In such an event, the expiration date of the Draft Contract will be changed to continue the same term length from any adjustment to the effective date.

### SITE VISIT

No Concession Facilities are associated with the contracts; therefore, no site visit will be conducted.

